

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

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April 23, 1990

16839
RECORDATION NO. _____ FILED 1425

APR 23 1990 -10 05 AM

INTERSTATE COMMERCE COMMISSION

Ms. Noreta R. McGee
Secretary
INTERSTATE COMMERCE COMMISSION
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two fully executed original copies of a Security Agreement dated as of April 18, 1990, a primary document as defined in the Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Borrower: Aristech Chemical Corporation
600 Grant Street
Room 2100
Pittsburgh, Pennsylvania 15230-0250

Secured Party: The Mitsubishi Bank, Limited
New York Branch, As Agent
225 Liberty Street
Two World Financial Center
New York, New York 10281

A description of the railroad equipment covered by the enclosed document is set forth in Schedule I-1 attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$15 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

C. Densley
OT Kappler

Mr. Noretta R. McGee
Secretary
INTERSTATE COMMERCE COMMISSION
April 23, 1990
Page Two

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Security Agreement dated as of April 18, 1990 between Aristech Chemical Corporation, Borrower, and The Mitsubishi Bank, Limited, Secured Party, covering 75 covered hopper cars bearing ARSX 371001 - ARSX 391065 and ARSX 391200 - ARSX 291209; and 15 tank cars bearing ARSX 192001 - ARSX 192015

Very truly yours,


Charles T. Kappler

Enclosure
CTK/bg

Item B. List of Railroad Cars

ARISTECH CHEMICAL CORPORATION
COVERED HOPPER CARS

MODEL C 214

ARXX 371001	ARXX 391027	ARXX 391200
ARXX 371002	ARXX 391028	ARXX 391201
ARXX 371003	ARXX 391029	ARXX 391202
ARXX 371004	ARXX 391030	ARXX 391203
ARXX 371005	ARXX 391031	ARXX 391204
ARXX 371006	ARXX 391032	ARXX 391205
ARXX 371007	ARXX 391033	ARXX 391206
ARXX 371008	ARXX 391034	ARXX 391207
ARXX 371009	ARXX 391035	ARXX 391208
ARXX 371010	ARXX 391036	ARXX 391209
ARXX 371011	ARXX 391037	
ARXX 371012	ARXX 391038	
ARXX 371013	ARXX 391039	
ARXX 371014	ARXX 391040	
ARXX 371015	ARXX 391041	
ARXX 371016	ARXX 391042	
ARXX 371017	ARXX 391043	
ARXX 371018	ARXX 391044	
ARXX 371019	ARXX 391045	
ARXX 371020	ARXX 391046	
ARXX 371021	ARXX 391047	
ARXX 371022	ARXX 391048	
ARXX 371023	ARXX 391049	
ARXX 371024	ARXX 391050	
ARXX 371025	ARXX 391051	
ARXX 371026	ARXX 391052	
	ARXX 391053	
	ARXX 391054	
	ARXX 391055	
	ARXX 391056	
	ARXX 391057	
	ARXX 391058	
	ARXX 391059	
	ARXX 391060	
	ARXX 391061	
	ARXX 391062	
	ARXX 391063	
	ARXX 391064	
	ARXX 391065	

TANK CARS

MODEL T 106

ARXX 192001
ARXX 192002
ARXX 192003
ARXX 192004
ARXX 192005
ARXX 192006
ARXX 192007
ARXX 192008
ARXX 192009
ARXX 192010
ARXX 192011
ARXX 192012
ARXX 192013
ARXX 192014
ARXX 192015

Interstate Commerce Commission
Washington, D.C. 20423

4/23/90

OFFICE OF THE SECRETARY

Charles T. Kappler
Alvord & Alvord
918 16th St. N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/23/90 at 10:05am and assigned recordation number(s). 16839

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

16839

RECORDATION NO. _____ FILED 1485

APR 23 1990 -10 05 AM

SECURITY AGREEMENT
(Borrower and Subsidiaries)

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT (this "Security Agreement"), dated as of April 18, 1990, made by ARISTECH CHEMICAL CORPORATION, a Delaware corporation (the "Borrower"), each of the Persons (such capitalized term, and other terms used in the preamble or the recitals without definition, to have the meanings ascribed thereto in Sections 1.1, 1.2 and 1.3 below) identified on Annex A hereto (each such person other than the Borrower being, individually, a "Grantor Sub"; each Grantor Sub and the Borrower being, individually, a "Grantor", and collectively, the "Grantors"), in favor of THE MITSUBISHI BANK, LIMITED, acting through its New York Branch, as agent (the "Agent") for each of the Lender Parties,

W I T N E S S E T H:

WHEREAS, pursuant to a Credit Agreement, dated as of April 18, 1990 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Credit Agreement"), among ACC Acquisition Corporation, a Delaware corporation that merged with and into, and became known as, Aristech Chemical Corporation, a Delaware corporation, the survivor of such merger being the Borrower, certain Subsidiaries of the Borrower, Holdings, Intermediate Holdings and MC as guarantors, the various commercial lending institutions (the "Lenders") as are, or may from time to time become, parties thereto, The Mitsubishi Bank, Limited, acting through its New York Branch and The Mitsubishi Trust and Banking Corporation, acting through its New York Branch, as the Co-Arrangers, and the Agent, the Lenders have extended Commitments to make Loans to the Borrower;

WHEREAS, as a condition precedent to the making of the initial Loans under the Credit Agreement, each Grantor is required to execute and deliver this Security Agreement;

WHEREAS, each Grantor has duly authorized the execution, delivery and performance of this Security Agreement; and

WHEREAS, it is in the best interests of each Grantor Sub to execute this Security Agreement inasmuch as such Grantor Sub will derive substantial direct and indirect benefits from the Loans made from time to time to the Borrower by the Lenders pursuant to the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Lenders to make Loans (including the initial

Senior Revolving Loans, Senior Term Loans and Guaranteed Subordinated Term Loans) to the Borrower pursuant to the Credit Agreement, each Grantor agrees, for the benefit of each Lender Party, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Agent" is defined in the preamble.

"Borrower" is defined in the preamble.

"Collateral" is defined in Section 2.1.

"Collateral Account" is defined in Section 4.1.2(c).

"Computer Hardware and Software Collateral" means:

(a) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware;

(b) all software programs (including both source code, object code and all related applications and data files), whether now owned, licensed or leased or hereafter acquired by any Grantor, designed for use on the computers and electronic data processing hardware described in clause (a) above;

(c) all firmware associated therewith;

(d) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c); and

(e) all rights with respect to Computer Hardware and Software, including, without limitation, any and all

copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

"Copyright Collateral" means all copyrights and all semiconductor chip product mask works of each Grantor, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world including, without limitation, all of each Grantor's right, title and interest in and to all copyrights and mask works registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, the copyrights and mask works referred to in Item A of Schedule IV attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright and mask work licenses, including each copyright and mask work license referred to in Item B of Schedule IV attached hereto, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

"Credit Agreement" is defined in the first recital.

"Deposited Funds" means all cash and cash equivalents deposited into any Lock-Box Account from time to time by the Borrower or any of its Subsidiaries.

"Equipment" is defined in clause (a) of Section 2.1.

"Grantor" is defined in the preamble.

"Grantor Sub" is defined in the preamble.

"Holdings" means ACC Holdings Corporation, a Delaware corporation.

"Intellectual Property Collateral" means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral and the Trade Secrets Collateral.

"Intermediate Holdings" means ACC Middle Corporation, a Delaware corporation.

"Inventory" is defined in clause (b) of Section 2.1.

"Lender Party" means, as the context may require, any Lender, each Co-Arranger or the Agent and each of their respective successors, transferees and assigns.

"Lenders" is defined in the first recital.

"Lock-Box Account" means any concentration or check collecting account maintained by a Lock-Box Bank or the Agent in the name of the Borrower or its Subsidiary.

"Lock-Box Agreement" means any agreement substantially in the form of Exhibit E hereto.

"Lock-Box Bank" means each commercial banking or other depository financial institution listed in Item C of Schedule I attached hereto and any replacement for any thereof.

"Lock-Box Notice" means any notice, substantially in the form of Attachment A to Exhibit E hereto.

"MC" means Mitsubishi Corporation, a Japanese corporation.

"Patent Collateral" means:

(a) all letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world and including each patent and patent application referred to in Item A of Schedule II attached hereto;

(b) all patent licenses, including each patent license referred to in Item B of Schedule II attached hereto, but specifically excluding those patents not referred to in Item A of Schedule II attached hereto to which such patent licenses relate;

(c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clauses (a) and (b); and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to in Item A of Schedule II attached hereto, and for breach or enforcement of any patent license, including any patent license referred to in Item B of Schedule II attached hereto, and all rights corresponding thereto throughout the world.

"Receivables" is defined in clause (c) of Section 2.1.

"Related Contracts" is defined in clause (c) of Section 2.1.

"Secured Obligations" is defined in Section 2.2.

"Security Agreement" is defined in the preamble.

"Trademark Collateral" means:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a "Trademark"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in Item A of Schedule III attached hereto;

(b) all Trademark licenses, including each Trademark license referred to in Item B of Schedule III attached hereto, but specifically excluding those Trademarks not referred to in Item A of Schedule III attached hereto to which such Trademark licenses relate;

(c) all extensions or renewals of any of the items described in clauses (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by any Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A and Item B of Schedule III attached hereto, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

"Trade Secrets Collateral" means common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of any Grantor (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses, including each Trade Secret license referred to in Schedule V attached hereto, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"U.C.C." means the Uniform Commercial Code, as in effect in the State of New York.

SECTION 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Credit Agreement.

SECTION 1.3. U.C.C. Definitions. Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the U.C.C. are used in this Security Agreement, including its preamble and recitals, with such meanings.

ARTICLE II

SECURITY INTEREST

SECTION 2.1. Grant of Security. Each Grantor hereby assigns and pledges to the Agent for its benefit and the ratable benefit of each of the Lender Parties, and hereby grants to the Agent for its benefit, and the ratable benefit of each of the Lender Parties, a security interest in all of the following, whether now or hereafter existing or acquired (the "Collateral"):

(a) all equipment in all of its forms of such Grantor, wherever located, now or hereafter existing (including, without limitation, that equipment shown on Schedule I-1 hereto), and all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor (any and all of the foregoing being the "Equipment");

(b) all inventory in all of its forms of such Grantor, wherever located, now or hereafter existing, including

(i) all raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof,

(ii) all goods in which such Grantor has an interest in mass or a joint or other interest or right of any kind (including goods in which such Grantor has an interest or right as consignee), and

(iii) all goods which are returned to or repossessed by such Grantor,

and all accessions thereto, products thereof and documents of title with respect thereto (any and all such inventory, materials, goods, accessions, products and documents of title being the "Inventory");

(c) all accounts, contracts, contract rights, chattel paper, documents, instruments and general intangibles of such Grantor, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all rights of such Grantor now or hereafter existing in and to all security agreements, guaranties, leases and other contracts securing or otherwise relating to any such accounts, contracts, contract rights, chattel paper, documents, instruments, and general intangibles (any and all such accounts, contracts, contract rights, chattel paper, documents, instruments, and general intangibles being the "Receivables", and any and all such security agreements, guaranties, leases and other contracts being the "Related Contracts");

(d) all Intellectual Property Collateral of such Grantor;

(e) all now or hereafter existing books, records, writings, data bases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this Section 2.1;

(f) all Lock-Box Accounts and all Deposited Funds from time to time held in the Lock-Box Accounts;

(g) all of such Grantor's other property and rights of every kind and description and interests therein, now or hereafter existing; and

(h) all products, offspring, rents, issues, profits, returns, income and proceeds of and from any and all of the foregoing Collateral (including proceeds which constitute property of the types described in clauses (a), (b), (c), (d), (e), (f) and (g), proceeds deposited from time to time in the Collateral Account, and, to the extent not otherwise included, all payments under insurance (whether or not the Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral).

Notwithstanding the foregoing, "Collateral" shall not include any general intangibles or other rights arising under contracts as to which the loss or impairment of which could reasonably be expected to have a materially adverse effect on the financial condition or business of any Grantor and as to which the grant of a security interest would constitute a violation of a valid and enforceable restriction on such grant, unless and until any required consents shall have been obtained. Except as set forth on Schedule 2.1 hereto, the Grantor agrees to use reasonable efforts to obtain, within ninety days of the date of this Security Agreement, any such required consent.

SECTION 2.2. Security for Obligations. This Security Agreement secures the payment of all Obligations of all Obligors now or hereafter existing under the Credit Agreement, the Notes and each other Loan Document from time to time in existence, whether for principal, interest, costs, fees, expenses or otherwise (all such Obligations being the "Secured Obligations"); provided, however, that the Secured Obligations shall not include any amounts due with respect to or in connection with the Guaranteed Subordinated Term Loans, whether for principal, interest or otherwise.

SECTION 2.3. Continuing Security Interest; Transfer of Notes. This Security Agreement shall create a continuing security interest in the Collateral and shall

(a) remain in full force and effect until payment in full of all Secured Obligations and the termination of all Commitments,

(b) be binding upon each Grantor, its respective successors, transferees and assigns, and

(c) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent and each other Lender Party.

Without limiting the generality of the foregoing clause (c), any Lender may transfer (in whole or in part) any Note or Loan held by it to any other Person or entity, and such other Person or entity shall thereupon become vested with all rights and benefits

in respect thereof granted to such Lender under any Loan Document (including this Security Agreement) or otherwise, subject, however, to any contrary provisions in such transfer, and to the provisions of Section 11.11 and Article IX of the Credit Agreement. Upon the payment in full of all Secured Obligations and the termination of all Commitments, the security interest granted herein shall terminate and all rights to the Collateral shall revert to the respective Grantor. Upon any such termination, the Agent will, at such Grantor's sole expense, execute and deliver to such Grantor such instruments as such Grantor shall reasonably request to evidence such termination.

SECTION 2.4. Each Grantor Remains Liable. Anything herein to the contrary notwithstanding

(a) each Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and shall perform all of its duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed,

(b) the exercise by the Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral, and

(c) neither the Agent nor any other Lender Party shall have any obligation or liability under any such contracts or agreements included in the Collateral by reason of this Security Agreement, nor shall the Agent or any other Lender Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.5. Security Interest Absolute. All rights of the Agent and the security interests granted to the Agent hereunder, and all obligations of each Grantor hereunder, shall be absolute and unconditional, irrespective of

(a) any lack of validity or enforceability of the Credit Agreement, the Notes or any other Loan Document;

(b) the failure of any Lender Party or any holder of any Note

(i) to assert any claim or demand or to enforce any right or remedy against the Borrower, any other Obligor or any other Person under the provisions of the Credit

Agreement, any Note, any other Loan Document or otherwise, or

(ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any Obligations of the Borrower or any other Obligor;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations or any other extension, compromise or renewal of any Obligations of the Borrower or any other Obligor;

(d) any reduction, limitation, impairment or termination of any Obligations of the Borrower or any other Obligor for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each Grantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Obligations of the Borrower, any other Obligor or otherwise;

(e) any amendment to, rescission, waiver, or other modification of, or any consent to departure from, any of the terms of the Credit Agreement, any Note or any other Loan Document;

(f) any addition, exchange, release, surrender or non-perfection of any collateral (including the Collateral), or any amendment to or waiver or release of or addition to or consent to departure from any guaranty, for any of the Obligations; or

(g) any other circumstances which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Borrower, any other Obligor, any surety or any guarantor.

SECTION 2.6. Waiver of Subrogation. Each Grantor Sub hereby irrevocably waives any claim or other rights which it may now or hereafter acquire against the Borrower or any other Obligor that arise from the existence, payment, performance or enforcement of such Grantor Sub's obligations under this Security Agreement or any other Loan Document, including any right of subrogation, reimbursement, exoneration or indemnification, any right to participate in any claim or remedy of the Lender Parties against the Borrower or any other Obligor or any collateral which the Agent now has or hereafter acquires, whether or not such

claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from the Borrower or any other Obligor, directly or indirectly, in cash or other property or by set-off or in any manner, payment or security on account of such claim or other rights. If any amount shall be paid to such Grantor Sub in violation of the preceding sentence and the Obligations shall not have been paid in cash in full and the Commitments have not been terminated, such amount shall be deemed to have been paid to such Grantor Sub for the benefit of, and held in trust for, the Lender Parties, and shall forthwith be paid to the Lender Parties to be credited and applied upon the Obligations, whether matured or unmatured. Each Grantor Sub acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that the waiver set forth in this Section is knowingly made in contemplation of such benefits.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.1. Representations and Warranties. Each Grantor represents and warrants unto each Lender Party as set forth in this Article.

SECTION 3.1.1. Grantor Sub Representations and Warranties. Each Grantor Sub hereby represents and warrants to the Agent and each Lender Party as to all matters contained in Section 6.2 of the Credit Agreement (except for Sections 6.2.5, 6.2.14, 6.2.15 and 6.2.16) insofar as the representations and warranties contained therein are applicable to such Grantor Sub or any of its assets or properties. Each representation and warranty set forth in the non-excluded Sections of such Article VI (insofar as applicable as aforesaid) and all other terms of the Credit Agreement to which reference is made therein, together with all related definitions and ancillary provisions, are hereby incorporated into this Security Agreement by reference as though specifically set forth in this Section.

SECTION 3.1.2. Location of Collateral, etc. As of the date hereof, all of the Equipment (other than that shown on Schedule I-1 hereto), Inventory and Lock-Box Accounts are located at or in transit to (from another location specified in Item A, Item B or Item C) the places specified in Item A, Item B and Item C, respectively, of Schedule I hereto. None of the Equipment (other than that shown on Schedule I-1 hereto) and Inventory (other than raw materials purchased from others) has, within the four months preceding the date of this Security Agreement, been located at any place other than the places specified in Item A and Item B,

respectively, of Schedule I hereto. The place(s) of business and chief executive office of each Grantor and the office(s) where such Grantor keeps its records concerning the Receivables, and all originals of all chattel paper which evidence Receivables, are located at the addresses set forth on Annex B hereto. Each Grantor has no trade name other than with respect to the Borrower, as set forth in the signature page hereof. Since October 9, 1986, no Grantor has been known by any legal name different from the one set forth on the signature page hereto, nor has any Grantor been the subject of any merger or other corporate reorganization, except that the Borrower is the survivor of the Merger. If the Collateral includes any Inventory located in the State of California, no Grantor is a "retail merchant" within the meaning of Section 9102 of the Uniform Commercial Code - Secured Transactions of the State of California. None of the Receivables is evidenced by a promissory note or other instrument. No Grantor is a party to any Federal, state or local government contract.

SECTION 3.1.3. Ownership, No Liens, etc. Each Grantor owns its respective Collateral free and clear of any Lien, security interest, charge or encumbrance except for the security interest created by this Security Agreement and except as permitted by the Credit Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Agent relating to this Security Agreement and except as such may have been filed in respect of liens, charges or encumbrances permitted by the Credit Agreement.

SECTION 3.1.4. Possession and Control. Each Grantor has exclusive possession and control of its Equipment (other than its railroad cars) and Inventory (other than consigned Inventory and Inventory stored in public warehouses).

SECTION 3.1.5. Documents, Instruments and Chattel Paper. No Grantor uses in the course of its business or is a party to, and no Collateral is covered or evidenced by, any negotiable documents or chattel paper.

SECTION 3.1.6. Taxpayer Identification Number. The correct taxpayer identification number for each Grantor is listed on the signature pages hereto.

SECTION 3.1.7. Vehicles. All mobile goods of a type normally used in more than one jurisdiction and owned by any Grantor are listed on Schedule I-1 hereto. The Guarantors have good title to each of the mobile goods listed on Schedule I-1 hereto.

SECTION 3.1.8. Foreign Transactions. All transactions by any Grantor involving the movement of any Inventory to a location outside the United States are accomplished, in the case of the sale of such Inventory, F.O.B. (place of shipment).

SECTION 3.1.9. Consignment. The aggregate amount of Inventory of all Grantors consigned to third parties did not at February 28, 1990 exceed \$1,500,000 in value.

SECTION 3.1.10. Inventory at Flexi-Terminals and on Leased Railroad Tracks. The aggregate amount of Inventory of all Grantors in transit to or located at railroad "flexi-terminals" or on leased railroad tracks did not at February 28, 1990 exceed \$5,109,670 in value.

SECTION 3.1.11. Inventory Located Outside the United States. The aggregate amount of Inventory of all Grantors located outside the United States did not at February 28, 1990 exceed \$1,500,000 in value.

SECTION 3.1.12. Intellectual Property Collateral. With respect to any Intellectual Property Collateral the loss, impairment or infringement of which could reasonably be expected to have a materially adverse effect on the financial condition or business of any Grantor:

(a) such Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(b) such Grantor is aware of no fact which renders such Intellectual Property Collateral invalid or unenforceable;

(c) such Grantor has made all necessary filings and recordations to protect its interest in such Intellectual Property Collateral subsisting in the United States of America, including, without limitation, recordations of all of its interests in the Patent Collateral and Trademark Collateral in the United States Patent and Trademark Office and its claims to the Copyright Collateral in the United States Copyright Office;

(d) such Grantor is the owner of the entire and unencumbered right, title and interest in and to such

Intellectual Property Collateral and no claim other than those set forth on Schedule 3.1.12 hereto has been made that the use of such Intellectual Property Collateral does or may violate the asserted rights of any third party;

(e) such Grantor has performed all acts and has paid all required fees and taxes to maintain each and every item of such Intellectual Property Collateral subsisting in the United States of America in full force and effect; and

(f) except as described on Schedule 3.1.12 hereto, such Grantor has performed all acts and has paid all required fees and taxes to maintain each and every item of such Intellectual Property Collateral subsisting outside of the United States of America in full force and effect.

To the best of the Grantors' knowledge and belief, each Grantor owns or is a licensee with respect to or is otherwise entitled to use all patents, Trademarks, Trade Secrets, copyrights, mask works, licenses, technology, know-how and processes used in, necessary for or of importance to the conduct of such Grantor's business, except for those disputed matters set forth in Schedule 3.1.12 hereto.

SECTION 3.1.13. Validity, etc. This Security Agreement creates a valid security interest in the Collateral, securing the payment of the Secured Obligations, and all filings and other actions necessary to perfect and protect such security interest as a first priority security interest have been duly taken.

SECTION 3.1.14. Authorization, Approval, etc. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either

(a) for the grant by any Grantor of the security interest granted hereby or for the execution, delivery or performance of this Security Agreement by such Grantor, or

(b) for the perfection of or the exercise by the Agent of its rights and remedies hereunder.

SECTION 3.1.15. Compliance with Laws. Each Grantor is in material compliance with the requirements of all applicable laws (including, without limitation, the provisions of the Fair Labor Standards Act), rules, regulations and orders of every governmental authority, the non-compliance with which could reasonably be expected materially adversely to affect the business, properties, assets, operations, or condition (financial or otherwise) of such Grantor or the value of the Collateral or the worth of the Collateral as collateral security.

ARTICLE IV

COVENANTS

SECTION 4.1. Certain Covenants. Each Grantor covenants and agrees that, so long as any portion of the Secured Obligations shall remain unpaid or any Lender shall have any outstanding Commitment, each Grantor will, unless the Required Lenders shall otherwise consent in writing, perform the obligations set forth in this Section.

SECTION 4.1.1. As to Equipment and Inventory. Each Grantor hereby agrees that it shall

(a) keep all the Equipment and Inventory (other than Inventory sold in the ordinary course of business, Equipment permitted to be sold or disposed of pursuant to Section 7.2.11 of the Credit Agreement and Equipment listed on Schedule I-1 hereto) at the places therefor specified in Section 3.1.2 or at such other places (reported to the Agent in writing once each calendar quarter) in a jurisdiction where all representations and warranties set forth in Article III (including Section 3.1.12) shall be true and correct, and all action required pursuant to the first sentence of Section 4.1.7 shall have been taken with respect to the Equipment and Inventory;

(b) cause the Equipment to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with any manufacturer's manual; and forthwith, or in the case of any loss or damage to any of the Equipment, and, where it is in the reasonable judgment of the Borrower necessary or desirable to do so, as promptly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable to such end; and promptly furnish to the Agent notification of any loss or damage to any of the Equipment (other than loss or damage in an amount of less than \$1,000,000); and

(c) pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and Inventory, except to the extent the validity thereof is being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside.

SECTION 4.1.2. As to Receivables and Lock-Box Accounts.

(a) Each Grantor shall keep its place(s) of business and chief executive office and the office(s) where it keeps its records concerning the Receivables, and all originals of all chattel paper which evidenced Receivables, located at the respective addresses set forth on Annex B hereto, or, upon 30 days' prior written notice to the Agent, at such other locations in a jurisdiction where all actions required by the first sentence of Section 4.1.7 shall have been taken with respect to the Receivables; shall keep each Lock-Box Account and every other account for the deposit of funds from any of its customers or any customers of any of its Subsidiaries with those Lock-Box Banks, and at the respective locations, listed in Item C of Schedule I hereto; not change its name except upon 30 days' prior written notice to the Agent; hold and preserve such records and chattel paper in accordance with such Grantor's customary practices; permit representatives of the Agent at any time during normal business hours to inspect and make abstracts from such records and chattel paper; and during the continuance of an Event of Default, shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

(b) Each Grantor will direct all obligors under any Receivables to make all payments into the appropriate Lock-Box Account. Each Lock-Box Account will be maintained only pursuant to a lock-box or other agreement which is in all respects satisfactory to the Agent, and each Lock-Box Bank and Grantor shall have entered into a Lock-Box Agreement. Each Grantor shall continue to collect in accordance with its past practice, at its own expense, all amounts due or to become due to such Grantor under the Receivables and deposit such amounts in the applicable Lock-Box Account and, in connection with such collections, take such action as such Grantor (or, after the occurrence and during the continuance of any Event of Default, the Agent) may deem necessary to enforce collection of the Receivables; provided, however, that the Agent shall have the right, upon written notice to such Grantor of its intention to do so,

(i) at any time after the occurrence and during the continuance of any Event of Default, to send the Lock-Box Notices to the Lock-Box Banks; and

(ii) at any time after the occurrence and during the continuance of any Event of Default, to notify the obligors under any Receivables of the assignment of such Receivables to the Agent and to direct such

obligors to make payment of all amounts due or to become due to such Grantor thereunder directly to the Agent for deposit to the Collateral Account (hereafter defined).

After receipt by such Grantor of the notice from the Agent referred to above all amounts and proceeds (including instruments) received by such Grantor in respect of the Receivables shall be received in trust for the benefit of the Agent hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Agent (as described in the following clause (c)) in the same form as so received (with any necessary endorsement) to be held as cash collateral and either (at the Agent's sole option)

(A) released from time to time to such Grantor, or

(B) applied as provided by clause (b) of Section 6.1.

(c) After the occurrence and during the continuance of an Event of Default, if so requested by the Agent, all proceeds of Collateral received by any Grantor shall either (at the Agent's sole option)

(i) be delivered in kind to the Agent for deposit to a deposit account (the "Collateral Account") of the Grantors maintained with the Agent, or

(ii) delivered to the applicable Lock-Box Account, and no Grantor shall commingle any such proceeds, and shall hold separate and apart from all other property, all such proceeds in express trust for the benefit of the Agent until delivery thereof is made to the Agent.

No funds, other than proceeds of Collateral, will be deposited in the Collateral Account.

SECTION 4.1.3. As to Collateral.

(a) Until such time, after the occurrence and during the continuance of an Event of Default, as the Agent shall notify any Grantor of the revocation of such power and authority, each Grantor (i) may in the ordinary course of its business, at its own expense, sell, lease or furnish under the contracts of service any of the Inventory normally held by such Grantor for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by such Grantor

for such purpose, (ii) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as the Agent may reasonably request or, in the absence of such request, as such Grantor may deem advisable, and (iii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given rise to such Collateral. The Agent, however, may, at any time after the occurrence and during the continuance of an Event of Default, whether before or after any revocation of such power and authority or the maturity of any of the Secured Obligations, enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of the Agent after the occurrence and during the continuance of an Event of Default, each Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Agent of any amounts due or to become due thereunder.

(b) The Agent is authorized to endorse, in the name of each Grantor, any item, howsoever received by the Agent, representing any payment on or other proceeds of any of the Collateral.

SECTION 4.1.4. As to Intellectual Property Collateral.

(a) No Grantor shall, unless such Grantor shall either (i) reasonably and in good faith determine (and notice of such determination shall have been delivered to the Agent) that any of the Patent Collateral is of insubstantial economic value to such Grantor, or (ii) have a valid business purpose to do otherwise, do any act, or omit to do any act, whereby any of the Patent Collateral may lapse or become abandoned or dedicated to the public or unenforceable.

(b) No Grantor shall, and no Grantor shall permit any of its licensees to, unless such Grantor shall either (i) reasonably and in good faith determine (and notice of such determination shall have been delivered to the Agent) that any of the Trademark Collateral is of insubstantial economic value to such Grantor, or (ii) have a valid business purpose to do otherwise,

(A) fail to continue to use any of the Trademark Collateral in order to maintain all of the Trademark Collateral in full force free from any claim of abandonment for non-use,

(B) fail to maintain as in the past the quality of products and services offered under all of the Trademark Collateral,

(C) fail to employ all of the Trademark Collateral registered with any Federal or state or foreign authority with an appropriate notice of such registration, and

(D) do or permit any act or knowingly omit to do any act whereby any of the Trademark Collateral may lapse or become invalid or unenforceable.

(c) In the event that any Grantor makes a substantial use in interstate commerce in the United States of a new trademark which is substantially similar to any United States registered trademark included in the Intellectual Property Collateral, then such Grantor shall file a United States trademark application for registration thereof.

(d) In the event that any Grantor makes a substantial use in interstate commerce in the United States of an existing trademark registered in the United States and included in the Intellectual Property Collateral, on goods or services other than those for which the registration is applicable, then such Grantor shall file a United States trademark application for registration thereof.

(e) Each Grantor will continue to perform all acts and will pay all required fees and taxes necessary to maintain its interest in the Intellectual Property Collateral. Without limiting the generality of the foregoing sentence, as to any foreign Intellectual Property Collateral for which the applicable Grantor has not as yet recorded its right and title in the applicable foreign patent or trademark office, such Grantor shall take appropriate steps to do so no later than the later of (i) a period of twelve months from the date hereof, or (ii) for trademarks, if any, upon the next renewal of its registration, and for patents, upon payment of its next annuity.

(f) No Grantor shall, unless such Grantor shall either (i) reasonably and in good faith determine (and notice of such determination shall have been delivered to the Agent) that any of the Copyright Collateral or any of the Trade

Secrets Collateral is of insubstantial economic value to such Grantor, or (ii) have a valid business purpose to do otherwise, do or permit any act or knowingly omit to do any act whereby any of the Copyright Collateral or any of the Trade Secrets Collateral may lapse or become invalid or unenforceable or placed in the public domain except, in the case of a copyright, upon expiration of the end of an unrenewable term of a registration thereof.

(g) Each Grantor shall notify the Agent promptly after it learns that any application or registration relating to any material item of the Intellectual Property Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any foreign counterpart thereof or any court) regarding such Grantor's ownership of any of the Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same.

(h) Upon the filing by any Grantor or any of its agents, employees, designees or licensees of an application for the registration of any Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall promptly inform the Agent, and upon request of the Agent, shall execute and deliver any and all agreements, instruments, documents and papers as the Agent may reasonably request to evidence the Agent's security interest in such Intellectual Property Collateral and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(i) Each Grantor shall take all necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office, or any similar office or agency in any other country or any political subdivision thereof as such Grantor reasonably deems appropriate in view of its current and anticipated business, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, the Intellectual Property Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under clauses (a), (b) and (f)).

(j) Each Grantor that holds title to any Intellectual Property Collateral shall, contemporaneously herewith, execute and deliver to the Agent an Agreement (Patent), an Agreement (Trademark) and an Agreement (Copyright) in the forms of Exhibit A, Exhibit B and Exhibit C hereto, respectively, and shall execute and deliver to the Agent any other document required to acknowledge or register or perfect the Agent's interest in any part of the Intellectual Property Collateral. It is understood that, and the Grantors represent and warrant that, no Grantor holds title on the date hereof to any registered Copyright Collateral.

SECTION 4.1.5. Insurance. Each Grantor will maintain or cause to be maintained with responsible insurance companies insurance with respect to the Collateral against such casualties and contingencies and of such types and in such amounts as such Grantor customarily maintains at the date of this Security Agreement and will, upon the request of the Agent, furnish a certificate of a reputable insurance broker setting forth the nature and extent of all insurance maintained by such Grantor in accordance with this Section. Without limiting the foregoing, each Grantor further agrees as follows:

(a) Each policy for property insurance shall show the Agent as loss payee.

(b) Each policy for liability insurance shall show the Agent as an additional insured.

(c) With respect to each life insurance policy, such Grantor shall execute and deliver to the Agent a collateral assignment, notice of which has been acknowledged in writing by the insurer.

(d) Each insurance policy shall provide that at least thirty days prior written notice of cancellation, reduction in amount or other change in coverage shall be given to the Agent by the insurer.

(e) Each Grantor shall immediately notify the Agent of the lapse of any insurance policy.

(f) Each Grantor shall, if so requested by the Agent, deliver to the Agent a copy certified by the underwriter of each insurance policy.

(g) All payments in respect of property insurance and life insurance shall be deposited to the Collateral Account, and if there shall be no Collateral Account, shall be paid to the applicable Grantor.

SECTION 4.1.6. Transfers and Other Liens. No Grantor shall:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except Inventory in the ordinary course of business or as permitted by the Credit Agreement; or

(b) create or suffer to exist any Lien or other charge or encumbrance upon or with respect to any of the Collateral to secure Indebtedness of any Person or entity, except for the security interest created by this Security Agreement and except as permitted by the Credit Agreement.

SECTION 4.1.7. Further Assurances, etc. Each Grantor agrees that, from time to time at its own expense, such Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Agent may request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor will

(a) if requested by the Agent, mark conspicuously each document included in the Inventory, each chattel paper included in the Receivables and each Related Contract and each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to the Agent, indicating that such document, chattel paper, Related Contract or Collateral is subject to the security interest granted hereby;

(b) if any Receivable shall be evidenced by a promissory note or other instrument, negotiable document or chattel paper, deliver and pledge to the Agent hereunder such promissory note, instrument, negotiable document or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Agent;

(c) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices (including, without limitation, any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3726, any successor or amended version thereof or any regulation

promulgated under or pursuant to any version thereof), as may be necessary, or as the Agent may request, in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Agent hereby;

(d) furnish to the Agent, from time to time at the Agent's request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail; and

(e) furnish to the Agent, from time to time at the Agent's request, an opinion of counsel acceptable to the Required Lenders to the effect that all financing or continuation statements have been filed, and all other action has been taken, to perfect, preserve and validate continuously from the date hereof the security interests granted hereby.

With respect to the foregoing and the grant of the security interest hereunder, each Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of such Grantor where permitted by law. A carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

SECTION 4.1.8. Transfers and Other Liens on Lock-Box Accounts.

(a) No Grantor will, or will permit any of its Subsidiaries to:

(i) sell, assign (by operation of law or otherwise) or otherwise dispose of any interest in any Lock-Box Account or the Deposited Funds; or

(ii) create or suffer to exist any Lien upon or with respect to any Lock-Box Account or the Deposited Funds to secure any obligation of any Person, except for the Lien created by this Security Agreement.

(b) Each Grantor will, and will cause each of its respective Subsidiaries to, defend the right, title and interest of the Agent in and to any of such Grantor's or such Subsidiary's rights under the Lock-Box Accounts and the Deposited Funds against the claims and demands of all Persons whomsoever.

SECTION 4.1.9. Foreign Transactions. Each Grantor agrees that all transactions involving the sale of any Inventory to Persons located outside the United States will be accomplished F.O.B. (place of shipment).

SECTION 4.1.10. Consignment. Each Grantor agrees that there shall not at any time be in excess of \$1,500,000 in value of Inventory consigned to third parties.

SECTION 4.1.11. Inventory at Flexi-Terminals and on Leased Railroad Tracks. Each Grantor agrees that there shall not at any time be in excess of \$6,500,000 in value of Inventory in transit to or located at railroad "flexi-terminals" or on leased railroad tracks.

SECTION 4.1.12. Inventory Located Outside of the United States. Each Grantor agrees that the aggregate amount of Inventory of all Grantors located outside the United States shall not at any time be in excess of \$3,000,000 in value.

SECTION 4.1.13. Aircraft Security Agreement. Each Grantor that holds title to any aircraft listed in Schedule I-1 hereto shall, contemporaneously herewith, execute and deliver to the Agent an Aircraft Chattel Mortgage and Security Agreement in the form of Exhibit D hereto, and shall execute and deliver to the Agent any other document required to acknowledge or register or perfect the Agent's security interest in such aircraft.

ARTICLE V

THE AGENT

SECTION 5.1. Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Agent such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Agent's discretion after the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent pursuant to Section 4.1.3;

(b) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above;

(d) to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Agent with respect to any of the Collateral; and

(e) to perform the affirmative obligations of such Grantor hereunder (including all obligations of such Grantor pursuant to Section 4.1.7).

Each Grantor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

SECTION 5.2. Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable jointly and severally by each Grantor pursuant to Section 6.2.

SECTION 5.3. Agent Has No Duty. In addition to, and not in limitation of, Section 2.4, the powers conferred on the Agent hereunder are solely to protect its interest (on behalf of the Lender Parties) in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 5.4. Reasonable Care. The Agent is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession; provided, however, the Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral, if it takes such action for that purpose as any Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of any Event of Default, but failure of the Agent to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

ARTICLE VI

REMEDIES

SECTION 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the U.C.C. (whether or not the U.C.C. applies to the affected Collateral) and also may (i) require each Grantor to, and each Grantor hereby agrees that it will, at its expense and upon request of the Agent forthwith, assemble all or part of the Collateral as directed by the Agent and make it available to the Agent at a place to be designated by the Agent which is reasonably convenient to both parties and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Agent pursuant to Section 6.2) in whole or in part by the Agent for the ratable benefit of the Lender Parties against, all or any part of the Secured Obligations in such order as the Agent shall elect. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Secured Obligations shall be paid over to the respective Grantor or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 6.2. Indemnity and Expenses.

(a) Each Grantor jointly and severally agrees to indemnify the Agent from and against any and all claims, losses and liabilities arising out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting from the Agent's gross negligence or wilful misconduct.

(b) Each Grantor jointly and severally agrees that it will upon demand pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the administration of this Security Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Agent or the Lender Parties hereunder, or (iv) the failure by any Grantor to perform or observe any of the provisions hereof.

SECTION 6.3. Certain Louisiana Remedies. Each Grantor specifically acknowledges the Secured Obligations secured hereby, whether now existing or to arise hereafter, and confesses judgment thereon if the same are not paid at maturity. Upon an Event of Default, it shall be lawful for and each Grantor does hereby authorize the Agent without making a demand or putting any Grantor in default, a putting in default being expressly waived, to cause all and singular the Collateral to be seized and sold after due process of law, each Grantor waiving the benefit of any and all laws or parts of laws relative to the appraisalment of the property seized and sold, under executory process or other legal process, and consenting that the Collateral be sold without appraisalment, either in its entirety or in lots of parcels, as the Agent may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceeding may direct.

Each Grantor hereby waives (a) the benefit of appraisalment provided for in Articles 2332, 2336, 2723, and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same; (b) the demand and three (3) days' notice of demand as provided in Articles 2639 and 2721 of the Louisiana Code of Civil Procedure; (c) the notice of seizure provided for in Articles 2293 and 2721 of the Louisiana Code of Civil Procedure; and (d) the three (3) days' delay provided for in Articles 2331 and 2722 of the Louisiana Code of Civil Procedure.

Each Grantor expressly authorizes and agrees that the Agent shall have the right to appoint a keeper of the Collateral pursuant to the terms and provisions of La. R.S. 9:5136. The compensation for the services of the Agent is hereby fixed at 5% of the amount due or sued for or claimed or sought to be protected, preserved or enforced in the proceeding for the recognition or enforcement of this Security Agreement, and shall be secured by the security interest herein granted.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 7.1. Loan Document. This Security Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

SECTION 7.2. Amendments; etc. No amendment to or waiver of any provision of this Security Agreement nor consent to any departure by any Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.3. Addresses for Notices. All notices and other communications provided to any party hereto under this Security Agreement or any other Loan Document shall be in writing or by Telex or by facsimile and addressed, delivered or transmitted to such party at its address, Telex or facsimile number set forth below its signature hereto or at such other address, Telex or facsimile number as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid or if properly addressed and sent by prepaid courier service, shall be deemed given when received; any notice, if transmitted by Telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of Telexes).

SECTION 7.4. Section Captions. Section captions used in this Security Agreement are for convenience of reference only, and shall not affect the construction of this Security Agreement.

SECTION 7.5. Severability. Wherever possible each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by or

invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

SECTION 7.6. Governing Law, Entire Agreement, etc. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR ITEM OF COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. THIS SECURITY AGREEMENT AND THE OTHER LOAN DOCUMENTS CONSTITUTE THE ENTIRE UNDERSTANDING AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERCEDE ANY PRIOR AGREEMENTS, WRITTEN OR ORAL, WITH RESPECT THERETO.

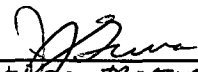
SECTION 7.7. Forum Selection and Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS SECURITY AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER PARTIES OR ANY GRANTOR SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH LITIGATION. EACH GRANTOR THAT IS NOT ORGANIZED UNDER THE LAWS OF THE UNITED STATES HEREBY IRREVOCABLY APPOINTS CT CORPORATION SYSTEM (the "PROCESS AGENT"), WITH AN OFFICE ON THE DATE HEREOF AT 1633 BROADWAY, NEW YORK, NEW YORK 10019, UNITED STATES, AS ITS AGENT TO RECEIVE ON BEHALF OF SUCH GRANTOR AND ITS PROPERTY SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION OR PROCEEDING. SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING MAY BE MADE BY MAILING (BY REGISTERED MAIL) OR DELIVERING A COPY OF SUCH PROCESS TO SUCH GRANTOR IN CARE OF THE PROCESS AGENT AT THE PROCESS AGENT'S ABOVE ADDRESS AND EACH SUCH GRANTOR HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS THE PROCESS AGENT TO ACCEPT SUCH SERVICE ON ITS BEHALF. AS AN ALTERNATIVE METHOD OF SERVICE, EACH GRANTOR ALSO FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. EACH GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT

PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT ANY GRANTOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OF FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH GRANTOR HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS SECURITY AGREEMENT.

SECTION 7.8. Waiver of Jury Trial. THE LENDER PARTIES AND EACH GRANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS SECURITY AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER PARTIES OR SUCH GRANTOR. EACH GRANTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDERS ENTERING INTO THE CREDIT AGREEMENT AND EACH SUCH OTHER LOAN DOCUMENT.

IN WITNESS WHEREOF, each Grantor has caused this Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

ARISTECH CHEMICAL CORPORATION

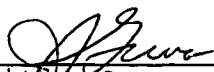
By 
Title: Treasurer
Taxpayer I.D. No.: 25-1534498

Address: 600 Grant Street
Room 2100
Pittsburgh, Pennsylvania
15230-0250

Attention: Mr. Anthony F. Mastro
Executive Vice President-
Administration & Chief Financial
Officer

Telecopier: (412) 433-7823 or 7819

ARISTECH CHEMICAL INTERNATIONAL
LIMITED

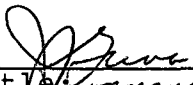
By 
Title: Treasurer
Taxpayer I.D. No.: _____

Address: 600 Grant Street
Room 2100
Pittsburgh, Pennsylvania
15230-0250

Attention: Mr. Anthony F. Mastro
Executive Vice President-
Administration & Chief Financial
Officer

Telecopier: (412) 433-7823 or 7819

ARISTECH CHEMICAL INTERNATIONAL
SALES LIMITED

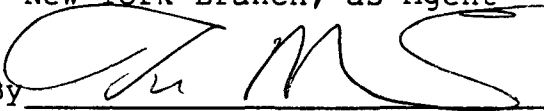
By 
Title: President
Taxpayer I.D. No.: none

Address: 600 Grand Street
Room 2100
Pittsburgh, Pennsylvania
15230-0290

Attention: Mr. Anthony F. Mastro
Executive Vice President-
Administration & Chief Financial
Officer

Telecopier: (412) 433-7823 or 7819

THE MITSUBISHI BANK, LIMITED,
New York Branch, as Agent

By 
Title: President

Address: 225 Liberty Street
Two World Financial Center
New York, New York 10281

Attention: Mr. Tsuyoshi Matsuda,
Vice President and
Manager, Planning and
Administration
Department

Telex: 232328

(Answerback: MITUR)

Telecopier: (212) 667-3554

State of New York)

: ss:

County of New York)

On this 18th day of April, 1990, before me personally appeared J.S. Guna, to me personally known, who being by me duly sworn, say that (s)he is the Treasurer of Aristech Chemical Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

HEATHER FURLONG
Notary Public, State of New York
No 31-4958171
Qualified in New York County
Commission Expires Oct. 31, 1991

Heather Furlong
Signature of Notary Public

My Commission expires Oct 31, 1991

State of New York)

: ss:

County of New York)

On this 18th day of April, 1990, before me personally appeared J.S. Guna, to me personally known, who being by me duly sworn, say that (s)he is the Treasurer of Aristech Chemical International Limited, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

HEATHER FURLONG
Notary Public, State of New York
No 31-4958171
Qualified in New York County
Commission Expires Oct 31, 1991

Heather Furlong
Signature of Notary Public

My Commission expires Oct 31, 1991

State of New York)

: ss:

County of New York)

On this 18th day of April, 1990, before me personally appeared J. S. Guna, to me personally known, who being by me duly sworn, say that (s)he is the Treasurer of Aristech Chemical International Sales Limited, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

HEATHER FURLONG
Notary Public, State of New York
No 31-4958171
Qualified in New York County
Commission Expires Oct. 31, 1991

Heather Furlong
Signature of Notary Public

My Commission expires Oct 31, 1991

State of New York)

: ss:

County of New York)

On this ____ day of April, 1990, before me personally appeared _____, to me personally known, who being by me duly sworn, say that (s)he is the _____ of Avonite, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

Signature of Notary Public

My Commission expires _____

State of New York)

: ss:

County of New York)

On this 19th day of April, 1990, before me personally appeared Toshio Miyaji, to me personally known, who being by me duly sworn, say that (s)he is the Joint General Manager of The Mitsubishi Bank, Limited, New York Branch, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



NANCY D. SINGH
Notary Public, State of New York
No. 4950383
Qualified in Kings County
Commission Expires April 24, 1991

Nancy D. Singh
Signature of Notary Public
My Commission expires 4/24/91

ANNEX A
to
Security Agreement

GRANTOR SUBS

1. ARISTECH CHEMICAL INTERNATIONAL LIMITED, a Delaware corporation
2. ARISTECH CHEMICAL INTERNATIONAL SALES LIMITED, a Barbados corporation

ANNEX B
to
Security Agreement

<u>Name of Grantor</u>	<u>Location of Chief Executive Office</u>	<u>Location of Place(s) of Business</u>	<u>Location of Office(s) where Grantor Keeps Records</u>
1. Aristech Chemical Corporation			
2. Aristech Chemical International Limited			
3. Aristech Chemical International Sales Limited			

Schedule I
to
Security AgreementItem A. Location of Equipment

<u>Description</u>	<u>(State)</u>	<u>Location</u> <u>(Town)</u>	<u>(County)</u>
Production Plant	Arkansas	Jacksonville	Pulaski
Warehouse		Jacksonville	Pulaski
Warehouse		Little Rock	Pulaski
Public Warehouse	California	Anaheim	Orange
Production Plant		Colton	San Bernardino
Warehouse		Santa Fe Springs	Los Angeles
Terminal		Santa Fe Springs	Los Angeles
Production Plant	Florida	Bartow	Polk
Warehouse		Medley	Dade
Warehouse		Tampa	Hillsborough
Warehouse	Georgia	Doraville	Dekalb
Leased Track		Lafayette	Walker
Terminal	Illinois	Summit	Cook
Leased Track	Indiana	Ft. Wayne	Allen
Terminal		Hammond	Lake
Leased Track		Muncie	Delaware
Warehouse	Iowa	Des Moines	Polk
Leased Track		Moulton	Appanoose
Leased Track	Kansas	Olathe	Johnson
Leased Track		Winfield	Cowley

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	(State)	(Town)	(County)
Warehouse Production Plant Leased Track	Kentucky	Florence Florence Ludlow	Boone Boone Kenton
Vacant Land Warehouse	Louisiana	St. John the Baptist Parish Shreveport	St. John the Baptist Parish Parish of Bossier/Caddo
Terminal	Massachussetts	Leominister	Worcester
Leased Track Sales Office Terminal	Michigan	Lowell Troy Warren	Kent Oakland Macomb
Warehouse	Minnesota	Minnetonka	Hennepin
Terminal Warehouse Public Warehouse	Missouri	Kansas City Kansas City Troy	Jackson Clay/Jackson Lincoln
Public Warehouse	Nebraska	Hastings	Adams
Terminal Production Plant	New Jersey	Jersey City Linden	Hudson Union
Leased Track Public Warehouse	New York	Lyons Syracuse	Wayne Onondaga
Leased Track	North Carolina	Rocky Mount	Edgecombe/Nash
Public Warehouse Terminal Terminal Production Plant	Ohio	Akron Barberton Cincinnati Haverhill	Summit Summit Hamilton Scioto

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	(State)	(Town)	(County)
Leased Track Warehouse	Oklahoma	Shawnee Tulsa	Pottawatomie Tulsa/Osage
Production Plant	Pennsylvania	Clairton	Allegheny
Leased Track		Neville Island	Allegheny
Terminal		Philadelphia	Philadelphia
Terminal		Stockertown	North Hampton
Laboratory		Monroeville	Allegheny
Production Plant		Neville Island	Allegheny
Public Warehouse		Pittsburgh	Allegheny
Corporate		Pittsburgh	Allegheny
Headquarters		Pittsburgh	Allegheny
Terminal	South Carolina	Greer	Greenville
Terminal	Tennessee	Chattanooga	Hamilton
Leased Track	Texas	Cleburne	Johnson
Terminal		Houston	Harris
Public Warehouse		Houston	Harris
Leased Track		Houston	Harris
Production Plant		La Porte	Harris
Leased Track		Martha	Liberty
Production Plant		Pasadena	Harris
Production Plant	West Virginia	Neal	Wayne

Schedule I
to
Security AgreementItem B. Location of Inventory

<u>Description</u>	<u>(State)</u>	<u>Location</u> <u>(Town)</u>	<u>(County)</u>
Production Plant	Arkansas	Jacksonville	Pulaski
Warehouse		Jacksonville	Pulaski
Warehouse		Little Rock	Pulaski
Public Warehouse	California	Anaheim	Orange
Production Plant		Colton	San Bernardino
Warehouse		Santa Fe Springs	Los Angeles
Terminal		Santa Fe Springs	Los Angeles
Production Plant	Florida	Bartow	Polk
Warehouse		Medley	Dade
?		Pensacola	Escambia
Warehouse		Tampa	Hillsborough
Warehouse	Georgia	Doraville	Dekalb
Leased Track		Lafayette	Walker
Terminal	Illinois	Summit	Cook
Leased Track	Indiana	Ft. Wayne	Allen
Terminal		Hammond	Lake
Leased Track		Muncie	Delaware
Warehouse	Iowa	Des Moines	Polk
Leased Track		Moulton	Appanoose
Leased Track	Kansas	Olathe	Johnson
Leased Track		Winfield	Cowley

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	(State)	(Town)	(County)
Warehouse Production Plant Leased Track	Kentucky	Florence Florence Ludlow	Boone Boone Kenton
Vacant Land Warehouse	Louisiana	St. John the Baptist Parish Shreveport	St. John the Baptist Parish Parish of Bossier/Caddo
Terminal	Massachussetts	Leominister	Worcester
Leased Track Sales Office Terminal	Michigan	Lowell Troy Warren	Kent Oakland Macomb
Warehouse	Minnesota	Minnetonka	Hennepin
Terminal Warehouse Public Warehouse	Missouri	Kansas City Kansas City Troy	Jackson Clay/Jackson Lincoln
Public Warehouse	Nebraska	Hastings	Adams
? Terminal Production Plant	New Jersey	Edison Jersey City Linden	Middlesex Hudson Union
Leased Track Public Warehouse	New York	Lyons Syracuse	Wayne Onondaga
Leased Track	North Carolina	Rocky Mount	Edgecombe/Nash
Public Warehouse Terminal Terminal Production Plant	Ohio	Akron Barberton Cincinnati Haverhill	Summit Summit Hamilton Scioto

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	(State)	(Town)	(County)
Leased Track Warehouse	Oklahoma	Shawnee Tulsa	Pottawatomie Tulsa/Osage
Production Plant	Pennsylvania	Clairton	Allegheny
Leased Track		Neville Island	Allegheny
Terminal		Philadelphia	Philadelphia
Terminal		Stockertown	North Hampton
Laboratory		Monroeville	Allegheny
Production Plant		Neville Island	Allegheny
Public Warehouse		Pittsburgh	Allegheny
Corporate		Pittsburgh	Allegheny
Headquarters			Allegheny
Terminal	South Carolina	Greer	Greenville
Terminal	Tennessee	Chattanooga	Hamilton
Leased Track	Texas	Cleburne	Johnson
Terminal		Houston	Harris
Public Warehouse		Houston	Harris
Leased Track		Houston	Harris
Production Plant		La Porte	Harris
Leased Track		Martha	Liberty
Production Plant		Pasadena	Harris
Production Plant	West Virginia	Neal	Wayne
<u>Foreign Locations</u>			
Public Warehouse		Antwerp, Belgium	
Warehouse		Ontario, Canada	
Warehouse		Leeds, England	

Schedule I
to
Security AgreementItem C. Location of Lock-Box Accounts

<u>Lockbox Bank, Address and Telephone Number</u>	<u>Lockbox "Remit- to" Address</u>	<u>Account Number</u>	<u>Contact Person</u>
1. Pittsburgh National Bank PNB Building Fifth Avenue and Food Street Pittsburgh, PA 15265 (412) 762-4991	Department L672P Pittsburgh, PA 15264 Department L921P Pittsburgh, PA 15264 (for non-trade receivables) (a) P.O. Box 910391 Dallas, TX 75391-0391	2-948495	Michael B. Zacherl
2. NCNB National Bank One NCNB Plaza T18-1 Charlotte, NC 28255 (704) 374-8720	P.O. Box 65695 Charlotte, NC 28265	001693647	E. Stuart Wardlaw
3. Mellon Bank, N.A. Three Mellon Bank Center Pittsburgh, PA 15259-0001 (412) 234-4160	P.O. Box 371709M Pittsburgh, PA 15251	003 8608	James C. Fisher, Jr.
4. Bankers Trust 665 Locust P.O. Box 897 Des Moines, IA 50304 (515) 245-2486	P.O. Box 8164 Des Moines, IA 50301	003190	David W. Wackaman
5. Star Bank Sixth and Madison Avenue Number One Liberty Square Covington, KY 41011 (606) 292-6200	(b) Department 302 Cincinnati, OH 45296	898-397-5	Cyrus L. Miller

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<u>Lockbox Bank, Address and Telephone number</u>	<u>Lockbox "Remit- to" Address</u>	<u>Account Number</u>	<u>Contact Person</u>
6. The Toronto-Dominion Bank West Finch Commerce Bank Centre 2201 Finch Avenue West and Arrow Road Weston, Ontario M9M 2Y9 (416) 741-4900	P.O. Box 1157 Station (B) Westin, Ontario N9L2B5	1459- 0925606	Murray G. Reid
7. Mellon Bank, N.A. London Branch 6 Devonshire Square London, EC2M 4LB (412) 234-4160 (Pittsburgh)	6 Devonshire Square London, EC2M 4LB	01-6-00176	James C. Fisher, Jr.

- (a) New "remit-to" address to be assigned.
- (b) Items are processed by Central Trust Bank in Cincinnati for Star Bank.
- (c) Not a true lockbox. Volume is insufficient to warrant lockbox processing. The account is a General Deposit Account.

#B0006644

**SCHEDULE I-1
TO
SECURITY AGREEMENT**

MOBILE GOODS OF A TYPE NORMALLY USED IN MORE THAN ONE JURISDICTION

(See attached Items A, B, C)

Schedule I-1
to
Security Agreement

Item A. List of Trucks

1. Forklift A10D-15848A
2. 1985 Ford Truck F250 #96977
3. 1986 Ford Stakebed Truck-F-350 #1FD
4. 1979 Ford Firetruck-#D80DVFA5698
5. 1979 Ford Pickup 22000000P
6. Forklift #355-2617-4635
7. Forklift 355-2615-4536
8. Forklift 355-2614-4635
9. Forklift 355-2115-4635
10. Forklift D3D-11022
11. 1985 Ford Dump Truck #96990
12. 1985 Ford Stake #97047
13. Forklift Truck SN128508
14. Forklift Truck SN125094
15. Flat Bed Boom Truck 50000703N
16. 1985 Ford Dump Truck #96990
17. 1985 Ford Stake #97047
18. Forklift Truck SN128508
19. Forklift Truck SN125094
20. Yale Fork Lift Truck
21. Forklift - Doraville 80300001L
22. Forklift Truck Komatsu 79300002A
23. Forklifts - Little Rock 79000002L
24. Trucks - Little Rock 79000006L

#501 A0008484

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50. 1985 Ford Trk 1FTCF15Y8FNA54996
51. 1986 Chevrolet Pick 97147 SN 2GCEC1
52. 1986 Chevrolet Pickup 97149 SN 2GCEC1
53. 1980 Truck Freightliner 95398 CTK 79
54. 1979 Trailer 96827
55. 1979 Budd Trailer 94992 17661M
56. 1979 Budd Trailer 94993 176630M
57. 1979 Ford Truck 94903 R80DVFC766
58. 1979 Ford Truck 94905 R80DUFC766
59. 1979 Ford Truck 94902 R80DVFC766
60. 1980 GMC Truck 95078 T19KJAV560910
61. 1980 GMC Truck 95079 T19JAV56
62. 1980 Truck Freightliner 95399
63. 1980 Truck Freightliner 95400
64. 1982 Karikool 96546 1DESSC02BBM00860
65. 1982 Karikool 96548 1DESSC922BM00865
66. 1982 Karikool 96547 1DESSC920BM00865
67. 1982 Butler Chem Tanker 1-96463
68. 1982 Butler Chem Tanker 1-96464
69. 1982 Chevy Pick-Up Truck 96646
70. 1982 Chevy Van 96645
71. 1979 Butler Trailer 96735
72. 1973 Trailer 96782
73. 1982 Budd Trailer 96660
74. 1982 Budd Trailer 96661

#501 A0008484

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75. 1982 Budd Trailer 96662
76. 1982 Budd Trailer 96663
77. 1982 Budd Trailer 96664
78. 1982 Budd Trailer 96665
79. 1982 Budd Trailer 96659
80. 1985 Buick Skylark #32835
81. 1984 Ford Tempo #32795
82. 1987 Chev Celebrity 32892 SN 2G1AW5
83. 1984 Ford Tempo #32577
84. #97038 1984 ST&E 6500 Gal Tank
85. 1985 ST&E 6500 G1 Tank #97073
86. 1985 ST&E 6500 G1 Tank #97072
87. 81391 86 6500 Gal TT 1S9T74221H0017
88. 81390 86 6500 Gal TT 1S9T7422XH0017
89. 75717 86 6500 Gal TT 1S9T74223H0017
90. #97013 1985 Dodge Caravan 2B4FK21C
91. 1978 Chevy Malibu 30959 1W19UBB49
92. 1977 Ford LTD 30563 7H42H65114
93. 1983 Ford Pick Up 96786
94. 1978 Ford 30738 8U63H172695
95. 1985 Ford LTD #32830
96. 1977 Olds Cutlass 30208 3G29R7M2
97. 1977 Ford LTD 30223 7H31H161149
98. 1980 GMC Tractor 95412 T49LCAV6007
99. 1971 Tank Trailer Insulated 96845 9800160A

#501 A0008484

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100. 1985 Ford Tempo #32845
101. 1971 Butler Trailer 97155 SN 8632
102. 1971 Butler Trailer 97156 SN 9176
103. Used Van Trailers-Lewiston
104. 1980 Truck Freightliner 95398 CTK 79
105. 1979 Trailer 96827
106. 1982 Budd Trailer #96659
107. 1979 Budd Trailer 94992 17661M
108. 1979 Budd Trailer 94993 176630M
109. 1979 Ford Truck 94903 R80DVFC766
110. 1979 Ford Truck 94905 R80DUFC766
111. 1979 Ford Truck 94902 R80DVFC766
112. 1980 GMC Truck 95078 T19KJAV560910
113. 1980 GMC Truck 95079 T19KJAV56
114. 1980 Truck Freightliner 95399 CTK 7
115. Forklift Trucks 360630031-001 through 0017
116. 1980 Pickup Truck-Maintenance
117. 1980 Chevy Stake 95614
118. 1987 Chevy Pickup 97160 1GCGR24K3HF
119. MA/PA Whse. Fork Lift
120. MA/PA Whse. Fork Truck
121. Fire Truck 36081001H
122. Forklift #3 SN79M436
123. Central Store Forklift No. 26
124. 1986 Chevrolet Suburban 97146 SN IGCE

#501 A0008484

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- 125. 1986 Chevrolet Pickup 97148 SN 2GCEC1
- 126. 1982 Chevy Pick-up Truck 96647
- 127. Double Wide Trailer 24 x 60
- 128. Conference Trailer 12 x 46
- 129. Accounting Trailer 12 x 70
- 130. 1985 GMC Fire Truck
- 131. Forklift - Komatsu 80660
- 132. Forklift - Komatsu 130254
- 133. Forklift - Komatsu 80664
- 134. Forklift - Sellick #1338902522
- 135. Trackmobile
- 136. Bobcat Loader
- 137. 1985 Chevy Stake Truck #96983
- 138. 1985 Chevy Stake Truck #96983
- 139. 1986 Chevy Pickup #97153 SN 1GCGC24M
- 140. Chevrolet 3/4 Ton Pick-up 1979
- 141. Coal Boiler Forklift #8 SN 4BC654
- 142. 360690261-0001-0 Fire Truck
- 143. 22 Ton Galion Crane 15470002T-0001
- 144. 22 Ton Galion Crane 15470002T-0002
- 145. 22 Ton Galion Crane 15470002T-0003
- 146. 22 Ton Galion Crane 15470002T-0004
- 147. Pallet Stacker
- 148. Waste Liquid Collection Wagon
- 149. Cushman Haulster No. 502136

#501 A0008484

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150. Cushman Haulster No. 502066

151. Haulsters 360690171-0001 through 0007

Schedule I-1
to
Security Agreement

Item B. List of Railroad Cars

ARISTECH CHEMICAL CORPORATION
COVERED HOPPER CARS

MODEL C 214

ARXX 371001	ARXX 391027	ARXX 391200
ARXX 371002	ARXX 391028	ARXX 391201
ARXX 371003	ARXX 391029	ARXX 391202
ARXX 371004	ARXX 391030	ARXX 391203
ARXX 371005	ARXX 391031	ARXX 391204
ARXX 371006	ARXX 391032	ARXX 391205
ARXX 371007	ARXX 391033	ARXX 391206
ARXX 371008	ARXX 391034	ARXX 391207
ARXX 371009	ARXX 391035	ARXX 391208
ARXX 371010	ARXX 391036	ARXX 391209
ARXX 371011	ARXX 391037	
ARXX 371012	ARXX 391038	
ARXX 371013	ARXX 391039	
ARXX 371014	ARXX 391040	
ARXX 371015	ARXX 391041	
ARXX 371016	ARXX 391042	
ARXX 371017	ARXX 391043	
ARXX 371018	ARXX 391044	
ARXX 371019	ARXX 391045	
ARXX 371020	ARXX 391046	
ARXX 371021	ARXX 391047	
ARXX 371022	ARXX 391048	
ARXX 371023	ARXX 391049	
ARXX 371024	ARXX 391050	
ARXX 371025	ARXX 391051	
ARXX 371026	ARXX 391052	
	ARXX 391053	
	ARXX 391054	
	ARXX 391055	
	ARXX 391056	
	ARXX 391057	
	ARXX 391058	
	ARXX 391059	
	ARXX 391060	
	ARXX 391061	
	ARXX 391062	
	ARXX 391063	
	ARXX 391064	
	ARXX 391065	

TANK CARSMODEL T 106

ARX 192001
ARX 192002
ARX 192003
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ARX 192006
ARX 192007
ARX 192008
ARX 192009
ARX 192010
ARX 192011
ARX 192012
ARX 192013
ARX 192014
ARX 192015

Schedule I-1
to
Security Agreement

Item C. Aircraft

(1) Hawker Siddeley HS125700A

AGREEMENT
(Patent)

THIS AGREEMENT (PATENT) (this "Agreement"), dated as of April 18, 1990, between ARISTECH CHEMICAL CORPORATION, a Delaware corporation (the "Grantor"), and THE MITSUBISHI BANK LIMITED, NEW YORK BRANCH, as agent (together with any successor(s) thereto in such capacity, the "Agent") for each of the Lender Parties (as defined below);

W I T N E S S E T H:

WHEREAS, pursuant to a Credit Agreement, dated as of April 18, 1990 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Credit Agreement"), among ACC Acquisition Corporation, a Delaware corporation that merged with and into, and became known as, Aristech Chemical Corporation, a Delaware corporation, the survivor of such merger being the Grantor, certain Subsidiaries of the Borrower, Holdings, Intermediate Holdings and MC as guarantors, the various commercial lending institutions (the "Lenders") as are, or may from time to time become, parties thereto, The Mitsubishi Bank, Limited, acting through its New York Branch and The Mitsubishi Trust and Banking Corporation, acting through its New York Branch, as the Co-Arrangers, and the Agent, the Lenders have extended Commitments to make Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered a Security Agreement, dated as of the date hereof (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Security Agreement");

WHEREAS, as a condition precedent to the making of the initial Loans under the Credit Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Agent a continuing security interest in all of the Patent Collateral (as defined below) to secure all Secured Obligations (as defined in the Security Agreement); and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Loans (including the initial Loans) to the

Grantor pursuant to the Credit Agreement, the Grantor agrees, for the benefit of each Lender Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Secured Obligations, the Grantor does hereby mortgage, pledge and hypothecate to the Agent, and grant to the Agent a security interest in, for its benefit and the benefit of each Lender Party, all of the following property (the "Patent Collateral"), whether now owned or hereafter acquired or existing:

(a) all letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world and including each patent and patent application referred to in Item A of Attachment 1 hereto;

(b) all patent licenses, including each patent license referred to in Item B of Attachment 1 hereto;

(c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in the foregoing clauses (a) and (b); and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to in Item A of Attachment 1 hereto, and for breach or enforcement of any patent license, including any patent license referred to in Item B of Attachment 1 hereto, and all rights corresponding thereto throughout the world.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Agent in the Patent Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Agent for its benefit and the benefit of each Lender Party under the Security Agreement. The Security Agreement (and all

rights and remedies of the Agent and each Lender Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full of all Secured Obligations and the termination of all Commitments, the Agent shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Patent Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document, etc. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SECTION 8. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

ARISTECH CHEMICAL CORPORATION

By _____
Title:

Address: 600 Grant Street
Room 2100
Pittsburgh, Pennsylvania
15230-0250

Attention: Mr. Anthony F. Mastro
Executive Vice President-
Administration & Chief
Financial Officer

Telecopier: (412) 433-7823 or 7819

THE MITSUBISHI BANK, LIMITED,
NEW YORK BRANCH,
as Agent

By _____
Title:

Address: 225 Liberty Street
Two World Financial Center
New York, New York 10281

Attention: Mr. Tsuyoshi Matsuda,
Vice President and
Manager, Planning and
Administration Department

Telex: 232328

(Answerback: MITUR)

Telecopier: (212) 667-3554

Item A. Patents

Issued Patents

<u>*Country</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Inventor(s)</u>	<u>Title</u>
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Pending Patent Applications

<u>*Country</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Inventor(s)</u>	<u>Title</u>
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Patent Applications in Preparation

<u>*Country</u>	<u>Expected Docket No.</u>	<u>Filing Date</u>	<u>Inventor(s)</u>	<u>Title</u>
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Item B. Patent Licenses

<u>*Country or Territory</u>	<u>Licensor</u>	<u>Effective Licensee</u>	<u>Expiration Date</u>	<u>Expiration Date</u>	<u>Subject Matter</u>
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- * List items related to the United States first for ease of recordation. List items related to other countries next, grouped by country and in alphabetical order by country name.

EXHIBIT B
to
Security Agreement

AGREEMENT
(Trademark)

THIS AGREEMENT (TRADEMARK) (this "Agreement"), dated as of April 18, 1990, between ARISTECH CHEMICAL CORPORATION, a Delaware corporation (the "Grantor"), and THE MITSUBISHI BANK, LIMITED, NEW YORK BRANCH, as agent (together with any successor(s) thereto in such capacity, the "Agent") for each of the Lender Parties (as defined below);

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of April 18, 1990 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Credit Agreement"), among ACC Acquisition Corporation, a Delaware corporation that merged with and into, and became known as, Aristech Chemical Corporation, a Delaware corporation, the survivor of such merger being the Borrower, certain Subsidiaries of the Borrower, Holdings, Intermediate Holdings and MC as guarantors, the various commercial lending institutions (the "Lenders") as are, or may from time to time become, parties thereto, The Mitsubishi Bank, Limited, acting through its New York Branch and The Mitsubishi Trust and Banking Corporation, acting through its New York Branch, as the Co-Arrangers, and the Agent, the Lenders have extended Commitments to make Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered a Security Agreement, dated as of the date hereof (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Security Agreement");

WHEREAS, as a condition precedent to the making of the initial Loans under the Credit Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Agent a continuing security interest in all of the Trademark Collateral (as defined below) to secure all Secured Obligations (as defined in the Security Agreement); and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Loans (including the initial Loans) to the Grantor pursuant to the Credit Agreement, the Grantor agrees, for the benefit of each Lender Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Secured Obligations, the Grantor does hereby mortgage, pledge and hypothecate to the Agent, and grant to the Agent a security interest in, for its benefit and the benefit of each Lender Party, all of the following property (the "Trademark Collateral"), whether now owned or hereafter acquired or existing:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a "Trademark"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in Item A of Attachment 1 hereto;

(b) all Trademark licenses, including each Trademark license referred to in Item B of Attachment 1 hereto;

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present, or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A and Item B of Attachment 1 hereto, or for any injury to the goodwill associated with the use of any Trademark or for breach or enforcement of any Trademark license.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Agent in the Trademark Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Agent for its benefit and the benefit of each Lender Party under the Security Agreement. The Security Agreement (and all rights and remedies of the Agent and each Lender Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full of all Secured Obligations and the termination of all Commitments, the Agent shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document, etc. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SECTION 8. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

ARISTECH CHEMICAL CORPORATION

By _____
Title:

Address: 600 Grant Street
Room 2100
Pittsburgh, Pennsylvania
15230-0250

Attention: Mr. Anthony F. Mastro
Executive Vice President-
Administration & Chief
Financial Officer

Telecopier: (412) 433-7823 or 7819

THE MITSUBISHI BANK, LIMITED,
NEW YORK BRANCH,
as Agent

By _____
Title:

Address: 225 Liberty Street
Two World Financial Center
New York, New York 10281

Attention: Mr. Tsuyoshi Matsuda,
Vice President and
Manager, Planning and
Administration Departme

Telex: 232328

(Answerback: MITUR)

Telecopier: (212) 667-3554

Item A. Trademarks

Registered Trademarks

<u>*Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
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Pending Trademark Applications

<u>*Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Filing Date</u>
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Trademark Applications in Preparation

<u>*Country</u>	<u>Trademark</u>	<u>Docket No.</u>	<u>Expected Filing Date</u>	<u>Products/ Services</u>
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Item B. Trademark Licenses

<u>*Country or Territory</u>	<u>Trademark</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
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-
- * List items related to the United States first for ease of recordation. List items related to other countries next, grouped by country and in alphabetical order by country name.

AGREEMENT
(Copyright)

THIS AGREEMENT (COPYRIGHT) (this "Agreement"), dated as of April 18, 1990, between ARISTECH CHEMICAL CORPORATION, a Delaware corporation (the "Grantor"), and THE MITSUBISHI BANK, LIMITED, NEW YORK BRANCH, as agent (together with any successor(s) thereto in such capacity, the "Agent") for each of the Lender Parties (as defined below);

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of April 18, 1990 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Credit Agreement"), among ACC Acquisition Corporation, a Delaware corporation that merged with and into, and became known as, Aristech Chemical Corporation, a Delaware corporation, the survivor of such merger being the Borrower, certain Subsidiaries of the Borrower, Holdings, Intermediate Holdings and MC as guarantors, the various commercial lending institutions (the "Lenders") as are, or may from time to time become, parties thereto, The Mitsubishi Bank, Limited, acting through its New York Branch and The Mitsubishi Trust and Banking Corporation, acting through its New York Branch, as the Co-Arrangers, and the Agent, the Lenders have extended Commitments to make Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered a Security Agreement, dated as of the date hereof (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Security Agreement");

WHEREAS, as a condition precedent to the making of the initial Loans under the Credit Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Agent a continuing security interest in all of the Copyright Collateral (as defined below) to secure all Secured Obligations (as defined in the Security Agreement); and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Loans (including the initial Loans) to the Grantor pursuant to the Credit Agreement, the Grantor agrees, for the benefit of each Lender Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Secured Obligations, the Grantor does hereby mortgage, pledge and hypothecate to the Agent, and grant to the Agent a security interest in, for its benefit and the benefit of each Lender Party, all of the following property (the "Copyright Collateral"), whether now owned or hereafter acquired or existing, being all copyrights and all semi-conductor chip product mask works of the Grantor, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world including, without limitation, all of the Grantor's right, title and interest in and to all copyrights and mask works registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, the copyrights and mask works referred to in Item A of Attachment 1 attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright and mask work licenses, including each copyright and mask work license referred to in Item B of Attachment 1 attached hereto, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Agent in the Copyright Collateral with the United States Copyright Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Agent for its benefit and the benefit of each Lender Party under the Security Agreement. The Security Agreement (and all rights and remedies of the Agent and each Lender Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full of all Secured Obligations and the termination of all Commitments, the Agent shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Copyright Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the security interest in the Copyright Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document, etc. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SECTION 8. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

ARISTECH CHEMICAL CORPORATION

By _____
Title:

Address: 600 Grant Street
Room 2100
Pittsburgh, Pennsylvania
15230-0250

Attention: Mr. Anthony F. Mastro
Executive Vice President-
Administration & Chief
Financial Officer

Telecopier: (412) 433-7823 or 7819

THE MITSUBISHI BANK, LIMITED,
NEW YORK BRANCH,
as Agent

By _____
Title:

Address: 225 Liberty Street
Two World Financial Center
New York, New York 10281

Attention: Mr. Tsuyoshi Matsuda,
Vice President and
Manager, Planning and
Administration Departme

Telex: 232328

(Answerback: MITUR)

Telecopier: (212) 667-3554

Item A. Copyrights/Mask Works

Registered Copyrights/Mask Works

<u>*Country</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Author(s)</u>	<u>Title</u>
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Copyright/Mask Work Pending Registration Applications

<u>*Country</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Author(s)</u>	<u>Title</u>
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Copyright/Mask Work Registration Applications in Preparation

<u>*Country</u>	<u>Docket No.</u>	<u>Expected Filing Date</u>	<u>Author(s)</u>	<u>Title</u>
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Item B. Copyright/Mask Work Licenses

<u>*Country or Territory</u>	<u>Licensors</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Subject Matter</u>
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-
- * List items related to the United States first for ease of recordation. List items related to other countries next, grouped by country and in alphabetical order by country name.

[Form of Lock-Box Agreement]

_____, 19__

[Name and address of Lock-Box
Bank]

Gentlemen:

We refer to lock-box [concentration] account[s] no.[s]. _____ maintained with you (the "Lock-Box Account[s]") by us, _____ (sometimes, the "Grantor"). We have entered into a certain security agreement with The Mitsubishi Bank, Limited, New York Branch, as agent (in such capacity, the "Agent") for the Lenders parties to that certain Credit Agreement dated as of April 18, 1990, among, inter alia, [the Grantor,] [Aristech Chemical Corporation,] the Lenders and the Agent, which requires the execution and delivery of this agreement by you.

By signing this agreement you agree that on and after delivery to you of a letter in the form of Attachment A hereto the Lock-Box Account[s] shall be maintained by you for the benefit of, and the amounts from time to time therein held by you as agent for, the Agent on the terms provided herein. Until the time of delivery of such letter, the Lock-Box Account[s] are to be processed in accordance with the standard procedures currently in effect. All service charges and fees with respect to the Lock-Box Account[s] incurred by the Grantor shall be payable as currently arranged.

Upon delivery to you of a letter in the form of Attachment A hereto, all further instructions thereafter regarding the Lock-Box Account[s] shall be under the sole dominion and control of the Agent and be subject to written instructions from an officer of the Agent.

Notice from the Agent may be personally served, sent by telex, telecopy or U.S. mail, certified return receipt requested, to the address, telex or telecopy number set forth under your

signature to this agreement (or to such other address, telex or telecopy number you shall notify the Agent in writing). If notice is given by telex, it will be deemed to have been received when sent and the answerback received. All other notices will be deemed to have been received when actually received, or in the case of personal delivery, delivered. All notices shall be effective upon receipt. Notice from the Agent will be signed by an authorized signatory of the Agent as appears in the Agent's then current signature book. Instructions from the Agent may include, but shall not be limited to:

- (a) Prohibition on withdrawals by the Grantor from the Lock-Box Account[s].
- (b) Notice of the establishment of a collateral concentration account into which all monies collected in the Lock-Box Account[s] shall thereafter be transferred. Such transfers will be in accordance with your corporate availability schedule and will encompass all collected deposits less any deductions for returned items. Transfers between the Lock-Box Account[s] and the collateral concentration account may be carried out using either Fed Funds transfers or ACH (Automated Clearing House) entries.
- (c) The requirement of preparation of duplicate monthly bank statements for the Lock-Box Account[s] for the Agent's audit purposes mailed directly to an address specified by the Agent.

By signing this agreement, you agree that you shall not make any charges or debits to the Lock-Box Account[s], or exercise any right of set-off or banker's lien with respect thereto, except as provided herein. The Grantor and the Agent agree that you may debit the Lock-Box Account[s] for any items deposited in the Lock-Box Account[s] which may be returned or otherwise not collected and for all charges, fees, commissions and expenses incurred by you in providing lock-box services or otherwise in connection herewith; you may charge the Lock-Box Account[s] as permitted herein in accordance with your customary practices but only after attempting to recover funds by debit to other accounts maintained by the Grantor with you.

You may terminate this agreement only upon thirty days prior written notice to that effect to the Agent, by cancelling the Lock-Box Account[s] maintained with you. Incoming mail addressed to any closed lock-box(es) shall be forwarded in accordance with the Agent's instructions. This agreement may also be terminated upon written notice to you by the Agent stating that the agreements referenced in the first paragraph hereof pursuant to

which this agreement was obtained are no longer in effect. Except as otherwise provided in this paragraph, this agreement may not be terminated or amended without the written consent of the Agent.

This agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties hereto, but it may not be assigned in whole or in part by any party without the prior written consent of the other parties.

Very truly yours,

[NAME OF GRANTOR]

By _____

Title: _____

Address: _____

Attention: _____

Telex: _____

(Answerback: _____)

Telecopier: _____

Agreed to:

THE MITSUBISHI BANK, LIMITED,
NEW YORK BRANCH, as Agent

By _____

Title: _____

Address: 225 Liberty Street
Two World Financial Center
New York, New York 10281

Attention: Mr. Tsuyoshi Matsuda,
Vice President and Manager,
Planning and Administration
Department

Telex: 232328

(Answerback: MITUR)

Telecopier: (212) 667-3554

[LOCK-BOX BANK]

By _____

Title: _____

Address: _____

Attention: _____

Telex: _____

(Answerback: _____)

Telecopier: _____

[Form of Letter to Lock-Box Bank]

_____, 19__

[Name of Lock-Box Bank]

[Address]

Gentlemen:

Pursuant to that certain letter agreement among us, dated _____, 1990 (the "Agreement"), we hereby notify you that _____, a _____ corporation (the "Grantor") has transferred exclusive ownership and control of the Grantor's lock-box account[s] no[s]. _____ maintained with you [the "Lock-Box Account[s]"] to The Mitsubishi Bank, Limited, New York Branch, as Agent (in such capacity, the "Agent") for the Lenders parties to the Credit Agreement, dated as of April 18, 1990, among, inter alia, [the Grantor,] [Aristech Chemical Corporation,] such Lenders and the Agent.

By signing a copy of this letter the Grantor has agreed and hereby agrees that, pursuant to the terms of the Agreement, the Agent is irrevocably entitled to exercise any and all rights in respect of or in connection with the Lock-Box Account[s], including, without limitation, the right to specify how and when payments are to be made out of or in connection with the Lock-Box Account[s].

Please acknowledge receipt of this notice by signing in the space provided below on two copies hereof sent herewith and send one such signed copy to the Agent, at its address referred to below.

Very truly yours,

THE MITSUBISHI BANK, LIMITED,
NEW YORK BRANCH, as AgentBy _____
Title: _____Address: 225 Liberty Street
Two World Financial Center
New York, New York 10281Attention: Mr. Tsuyoshi Matsuda,
Vice President and
Manager, Planning and
Administration Department

Telex: 232328

(Answerback: MITUR)

Telecopier: (212) 667-3554

Agreed and acknowledged:

[NAME OF GRANTOR]

By _____
Title: _____
Address: _____
Attention: _____
Telex: _____
(Answerback: _____)
Telecopier: _____

[LOCK-BOX BANK]

By _____
Title: _____
Address: _____
Attention: _____
Telex: _____
(Answerback: _____)
Telecopier: _____